

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
MARCH 14, 2023
John “Doc” McIntosh Conference Room or Remote Option
7:00 P.M.

<https://berlingov.zoom.us/j/84291890018?pwd=ZFpNb2ttMFdOQXpnOUdJQ2lEaVF4QT09>

Call-in Option:	1 929 205 6099 United States Toll
Meeting ID:	842 9189 0018
Passcode:	490691

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. PUBLIC COMMENTS

E. APPROVAL OF PRIOR MINUTES

February 14, 2023, Regular Meeting
March 1, 2023, Regular Budget Meeting

F. NEW BUSINESS

1. Move to approve the transfer of \$30,153.66 from the Hubbard Playground account and \$9,846.34 from the McGee Air Quality account, both in the Capital Non-Recurring Fund, to the Buildings and Renovations account in the Police Construction Fund
2. Finance Director update.

G. ADJOURNMENT

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
FEBRUARY 14, 2023
John “Doc” McIntosh Conference Room or Remote Option
7:00 P.M.

<https://berlinct-gov.zoom.us/j/84941176727?pwd=cHdiS3RqUIZ4Ym1hbVJuOUUpWcjY4UT09>

Call-in Option: 1 929 205 6099 United States Toll
Meeting ID: 849 4117 6727
Passcode: 952606

A. CALL TO ORDER

Chairman Bordonaro called the meeting to order at 6:59 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

ATTENDANCE:

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Mark Holmes, George Millerd, Gerald Paradis

Members Absent: None

Staff Present:

Mark Kaczynski - Mayor

Kevin Delaney – Finance Director

D. PUBLIC COMMENTS

Mayor Kaczynski said a public meeting about the police station renovations will be held at the next Town Council meeting. The cost of the potential bonding is \$6.5M. Costs have gone up. I recall some discussion that we were going to take some things out of the project and it would be less than \$5M, but there was no final decision. The thought was to not bond anything and phase it in. Mr. Lombardo from the Public Building Commission said that we have no real cost estimates. Estimates are coming later this spring. I’m concerned about that much funding and don’t know if we want to bond or discuss numbers that are not concrete.

Finance Director Delaney said those figures are based on the projections done by the architect who has been working with the Police Commission. He put the numbers together in February 2022. Based on the direction from Corporation Counsel Donofrio and the Bond Council, we are required to think of this as an entire project. The plan is to put the whole thing out to bid and phase it in, but the architect’s intent is they would move from phase 1 to phase 2 with the setup costs and other things moving from one phase to the next. You have appropriated \$300k to do the final designs. Police Chief McNally confirmed that the Police Commission was good with the project and they are planning to move forward with it. Considering these costs are as of about a month ago. The plan is to go out to bid in May, do

E. APPROVAL OF PRIOR MINUTES

December 13, 2022, Regular Meeting

Mr. Grady moved to approve the December 13, 2022 Regular Meeting minutes.

Seconded by Mr. Millerd.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Mr. Holmes, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

F. NEW BUSINESS

1. Move to appropriate a \$1,000 Supporting Arts Grant to the Supporting Arts Grant Account.

Mr. Paradis moved to appropriate a \$1,000 Supporting Arts Grant to the Supporting Arts Grant Account.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Holmes, Mr. Grady, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

2. Move to appropriate the FY23 Municipal Revenue Sharing Grant of \$403,000 to the Buildings & Renovations account in the Police Construction Fund.

Mr. Paradis moved to appropriate the FY23 Municipal Revenue Sharing Grant of \$403,000 to the Buildings & Renovations account in the Police Construction Fund.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Holmes, Mr. Grady, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

Finance Director Delaney said there are 5 bids from different vendors all on the same state contract. We are going with Scan-Optics. They are the most involved with municipalities and scan millions of state documents. Scan-Optics also has the best understanding of the old and new state library retention guidelines. The timeframe is to be out of the Board of Education space by July.

Chairman Bordonaro asked if these are active files? Finance Director Delaney said the town side has a number of project files (accounts payable capital projects). There are retention requirements to keep them for a period of time. The Board of Education has a number of active files, especially for Special Education and some other related files. They need to access those files almost daily. Not all, but some of them.

given tablets for the field. The per diem staff were advised to use their own personal devices which I don't trust. It is unknown what type of security they have on them. IT advised to replace all 5 desktops and the \$12k transfer is to have something in there if one of the older laptops need to be replaced. Mr. Fernandes asked what is the cost of the new tablets? VNA Director Piatek said total equipment charge for the tablets is \$4,014. They are a Samsung Galaxy TabS7 with a larger screen. The \$8,220 for the desktop computers. We will be over at \$12,125 because we have some money in that account already. It could cover the laptop cost if needed. Mr. Fernandes asked if the tablets have been cleared by IT to work with our software? VNA Director Piatek said she is planning this out with IT Director Freeman. Finance Director Delaney said the \$12k is the transfer and not the cost. There is money in the computer account that we had from when an employee left and the VNA is looking to take that plus use what is in the computer account to make the purchase.

4. Discussion of ACFR for fiscal year ended June 30, 2022.

Mr. Paradis said Finance Director Delaney, Chairman Bordonaro and I had a call with the auditors to go over their annual financial reports. They did compliance audits for our federal and state grants then issued a report. No compliance or weakness issues with our grants were reported. They gave us an unqualified opinion that our financial statements are good and presented fairly. That is what we are looking for in terms of a financial report. They made recommendations to improve the management records. Most are standard housekeeping things that can be cleaned up easily. We can request an update from Finance Director Delaney and the Board of Education on the status of corrective action in a few months.

5. Finance Director Update.

a. Finance Status Update

- Tax revenue is above prior year. The numbers are coming in strong and Berlin has a very good collection rate.
- The capital project area is expanded to include the following construction projects: Steel Blvd., sidewalk upgrades (Langdon Court/Farmington Ave./Newton Rd.), paving at Porters Pass/Deming Rd./Christian Lane.
- Percival soccer field upgrade work is taking place in the spring.
- Scalise Field scoreboard is coming in March.
- Biscoglio Field is being converted to turf (June-November).
- Willard HVAC upgrades are moving forward.

Finance Director Delaney stated that after the first two months of this fiscal year the VNA has seen positive growth year over year. Year to date is \$384k and year to date last year was \$340k. VNA Director Piatek is doing a good job identifying the cost of various elements and actively pursuing things that will add value. Chairman Bordonaro asked to see how well the VNA is doing each quarter against their plans. Mr. Fernandes stated he would like a report of how many patients are from Berlin vs. out of town and the revenue associated with it.

TOWN OF BERLIN
REGULAR BOARD OF FINANCE BUDGET MEETING
Wednesday, March 1, 2023
BOE Large Meeting Room or Remote Option
7:00 P.M.

<https://berlinct-gov.zoom.us/j/88017231626?pwd=UGpEcU5ZVFpqZmJ0SDJJYkozSzlLQT09>

Call-in Option: 1 929 205 6099 United States Toll
Meeting ID: 880 1723 1626
Passcode: 245577

A. CALL TO ORDER

Chairman Bordonaro called the meeting to order at 7:00 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

ATTENDANCE:

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Mark Holmes, George Millerd, Gerald Paradis

Members Absent: None

Staff Present:

Arosha Jayawickrema – Town Manager
Brian Benigni – Superintendent of Schools
Kevin Delaney – Finance Director
Ashley Dorsey – Board of Education Finance Director
Matthew McNally – Police Chief
Julia Dennis – Board of Education President

D. DISCUSSION OF INDIVIDUAL BUDGETS:

1. Overall Budget

Town Manager Jayawickrema said we have talked about the HVAC project and the police station renovation for many months. Also, the need to add more police officers and bring back the police pension plan. Those items are all in this budget.

Finance Director Delaney reviewed the budget assumptions:

People with the option of where to live will choose a community with:

- a good education system
- desirable cultural/recreational offerings
- a safe community

We need to invest in infrastructure, fields, buildings and roads. We are focused on recurring expenses being funded with recurring revenues and want to avoid the one- time items. Long term debt obligations

get put into the budget and on-going operations. Maintaining legal contractual, regulatory compliance and Economic Development is also included.

Capital plan items include:

- Berlin High School courtyard (addressing the moisture issue)
- Police pension plan and adding police officers
- New school vans (there is a list showing age and mileage of all school vans).
- Highway trucks
- School cameras
- Bridges at Timberlin Golf Course

We go after grants to achieve the long-term priorities and also use fund balance. The town has significant projects and the current mill rate is 34.31. In 2022 there was a statutory required 5-year revaluation and the grand list increase is almost 18%. We are taking the current budget and applying it to the new grand list for a starting mill rate of 29.16. The real value excluding the revaluation growth is \$2.225M. Taxes went up for the majority of households.

The overall budget is \$105.6M, up 9.3% from the budget we are operating in this year. The mill rate would be 32.19 mills vs. the 29.16 mills previously stated. State funds are based on Governor Lamont's budget proposal. For the budgeted grand list, 1 mill is worth \$2,869,275 and there was a 17.7% increase.

The FY24 Budget Breakdown shows 59% of the budget is education and 41% is general government.

Chairman Bordonaro said the \$1,490M under pension and the \$457k reduction have a net value of about \$1M. Fund balance was used in the past for the old pension plan. Finance Director Delaney said that number is pulled straight from the actuary analysis.

2. Board of Education

Board of Education President Dennis said this is the board adopted budget for the 2023-2024 fiscal year.

The goals for the upcoming school year are:

- To provide a quality education
- To prepare students for multiple options and opportunities
- To maintain favorable class sizes and favorable offerings
- To consistently support technology and commit to a safe learning environment for all students and staff

The budget is \$51,949,020. New staff is \$76,908 (5.84%) and contractual obligations is \$2,081,324 (72%). We are adding a kindergarten teacher position at Griswold.

The Career Pathways program is a CNA course offered to our students through Tunxis Community College and we have \$100,000 budgeted to reconfigure the space (they will come to us). The program is in line with our goals and provides a career pathway for students that is less traditional than the typical college pathways that we have offered. Students have the opportunity to learn about health sciences and can get out and start working and see what they are most interested in.

Mandated training for para-educators is \$34,500 and that is in compliance with House Bill No. 5321. Grant staff is \$149,869 for two positions previously funded by ESSER grants. Grants were moved back into the general fund. ESS at McGee is \$100k and this goes beyond basic teaching and learning. The new positions are a Family Communications Specialist and a Reading Teacher. Chairman Bordonaro

added that we have to come up with a reasonable increase while dealing with inflation and a potential recession. We can't go with a 10% increase overall. Could we use some of the ESSER grant to pay for this? Board of Education Finance Director Dorsey said ESSER grants will expire by September and we won't have enough. Superintendent Benigni said there is some money, but not enough to cover it. Chairman Bordonaro said some of the budget items are still pandemic related as opposed to a normal situation. Board of Education President Dennis said we are not in a normal situation unfortunately and the state or federal government will not bail us out at this point. We needed ESS before COVID.

The Administrators budget of \$76,277.67 is a 2.73% increase over last year's budget. We reduced the Assistant Superintendent's position last year and that was a significant cost savings. A lot of that work has fallen on the Superintendent and his team. Mr. Paradis asked about the impact of special education costs? I've been hearing that impacts of COVID are boosting the number of placements. Board of Education President Dennis said the pandemic certainly exacerbated issues for students that might not have been shown. Superintendent Benigni said our budget is driven by over 25% for special education. Our number of qualifying special education students is up this year post pandemic. More students are being accessed to see if they qualify for services. What you see happening across the state and across the country is definitely happening in Berlin. Board of Education President Dennis said that through ESS at the high school, we were able to bring back out placement so it is actually a cost savings vehicle.

Certified staff is at \$1,030,793.48. 155 teachers are at max step, 112 teachers advance a step, 6 teachers are eligible for a salary lane change and there is a 50/50 cost sharing at CCTA with Cromwell. We are below average when it comes to teacher pay. We want to attract quality teachers in our town, but are not giving away the house for fun. Mr. Millerd asked if we are hiring teachers at top step, or bringing in kids from college? Board of Education President Dennis said it depends on the position you are trying to fill and what the candidate pool is. Top staff is extremely costly, but with no experience teachers begin at the \$60k range and it only goes up from there. Superintendent Benigni said we hire both, but the message has always been to hire the best qualified candidate for that position at that given time.

Board of Education President Dennis said Non-Certified salaries are \$431,839.83 (increase of 5.51%). That includes the Family Communications Specialist position, the 2 days of mandated training for paraprofessionals, non-affiliated contracts budgeted at a 3% increase, an increase to Per Diem Substitute account and Custodial Overtime.

Employee benefits is \$619,320.73. The rate increase for medical insurance is 10% (set by town). There was a pension account adjustment and the employer percentage for staff groups has been adjusted.

Contracted Services is \$249,791.89. That covers the full cost to fund Effective School Solutions (ESS) at McGee Middle school, previously funded by ESSER. Also, all operational and educational software systems which increase 3% to 7% annually. Legal fees, copier leases, athletic training and other operational expenses are included.

Utilities are \$80,545.00 (increase of 20.93%). The cost of utilities is up significantly. Berlin and Cromwell split the utility cost for the CCTA program at 50%.

Transportation is \$33,595.00 (increase of 1.01%). There is a contractual increase of 3% with New Britain Transportation, but the number of technical students the district transports to is less than the current fiscal year. Also, the district intends to use a portion of Excess Cost funds to offset Special Education transportation.

Tuition is \$192,255.00 (increase of 8.08%). That includes unanticipated special education placements for 2023-2024 school year and Career Pathways & Independent Study tuition cost. It also accounts for students aging out of the magnet school tuition program.

Supplies, textbooks and materials is \$18,245.00 (increase of 1.88%). With the exception of Career Pathways, all buildings and departments are taking a zero percent increase to their budget.

Equipment is \$25,520 (increase of 11.80%). The state is mandating that we have free menstrual products in schools (Public Act 22-118). Technology replacement is not included in that number.

All Other Expenditures is \$101,240.00. Mr. Paradis asked how much of that is for Career Pathways? Superintendent Benigni said the amount for Career Pathways is being estimated as there was no budget from last year for it. Board of Education President Dennis added there is a high demand from students and parents who are interested in it.

With Hartford Open Choice Enrollment, we always try to stay above 4% for reimbursement. We do rely on the Choice grant to offset our budget, however after the pandemic, all districts that participate in the Choice program are seeing a decline. It has to do with students choosing to stay in Hartford and that impacts our funding. We start to lose funding if we drop below 4%. We are expanding the seats to 110, but do not believe that we are going to get that. The Open Choice anticipated budget is \$1,031,875.00.

Mr. Millerd asked from a net cost to Berlin, is it good to have these? Superintendent Benigni said from a cost standpoint, we use the funds that we receive. Mr. Millerd asked what if you do have the 110 students, what would that mean to personnel? Superintendent Benigni said if you put either one or two students in each class that does not raise the number of teachers you are hiring. They are not all in one building.

Board of Education President Dennis reviewed the Budget Funding History slide. We put together a budget that meets the needs of our community and are working together to come up with these numbers. Inflation is impacting everyone, but parents do not want to see things taken from their kids. Mr. Millerd added that we also have to take care of the seniors and people without children. I'm all for giving the kids everything they want, but it is a balancing act.

Berlin's adopted budgets in the past two years have compared favorably with other nearby towns. Chairman Bordonaro said for the 5 Year FTE Comparisons there is a telling story that you don't need that much budget. You give the impression there are not enough funds, but it is more than sufficient funds. Board of Education President Dennis said the voters do speak volumes and we are supported by the voters who come out. When parents feel education is impacted, they come out. If we were running over every single year and had to ask for more money, they would not have our vote of confidence. Chairman Bordonaro says from my perspective it shows you are comfortable.

Superintendent Benigni said getting a 3% increase was a good budget, but given where students are now after the pandemic, cutting staff from the budget is not a place the Board of Education wants to be in. I don't want the impression that we are just spending on things. Board of Education President Dennis said we do actually give money back at the end of the year. Mr. Millerd said the homeowners are going to see a \$2M increase in their budget no matter what. There is an almost 18% change in the value of things. We are going to have some very angry people.

Board of Education President Dennis showed the Berlin and State per Pupil Expenditure slide. We are ranked 60 out of 169 towns. The Federal Funding slide shows what grant funding is getting removed and the grant funding total number is decreasing. State funding is also decreasing. We had over 100 new enrollments this year, some came after October 1 and are not reflected in the report. There are 300 new housing units coming into town and all of them are not age protected. That is not accounted for, but it would add additional enrollment to our schools. Mr. Millerd said he it would only be the 88 Deming Rd. units, because the vast majority are either studio, or 1 bedroom apartments. The 404 Berlin Turnpike

location had studies done for comparison with other apartment complexes and it is only expected to bring in about 7 new students. Board of Education President Dennis said it would be a good assumption that there would also be increased Special Education costs associated.

Board of Education President Dennis thanked everyone for their time and said this is the budget we are standing behind. It is a 5.84% increase. We have done our job and now want you to do your job.

Mr. Fernandes asked what positions are you cutting? Superintendent Benigni said the reduction was a custodian that left and two positions at the high school.

3. General Government

Finance Director Delaney said general government is a 1.9% increase. We excluded the 2 additional police officers which were approved and it is proposed for next fiscal year. Finance Director Delaney thanked Fleet Manager/Fire Administrator Simons for his efforts negotiating gas and diesel contracts with favorable pricing locked in through fiscal year 2024. The health insurance administration bid is out, we are at 10%. The existing net wage increase is \$182k, health insurance is \$210k and new position wages are \$165k. We hired a Director of Golf and Starters/Rangers at Timberlin golf course. That is funded through Timberlin fees and not through taxes. Timberlin is self-funding. The weather may cause that to go a little negative, but in recent years it has been substantially positive.

We are moving the police extra duty charges for when a police officer is out assisting Eversource, Connecticut Natural Gas, etc. We charge for that and it has been in the general fund. There is \$35k left in the police budget for extra duty services that will be waived, mainly for the Berlin Fair. The idea is to create a funding mechanism to relieve some or all of the burden of purchasing police vehicles. Mr. Paradis asked what is the impact if you are removing this activity from the general fund? Finance Director Delaney said there would be a surplus at the end and it has historically been about \$100k. Mr. Fernandes asked how it works if you have a New Britain police officer working? Finance Director Delaney said they would charge us and we would not make anything. Mr. Paradis asked if this number would contribute to how the surplus is generated each year? Finance Director Delaney said yes.

Chairman Bordonaro asked how many vacant positions are there in this current budget? Police Chief McNally said the police department is at 7 vacant positions now and it will be 8. Finance Director Delaney added that 2 of those positions are not in that number (on unpaid leave and military leave). Also, the Planning Department was down 2 full time positions (filled after the start of FY23) and is down 1 part time position.

4. Revenue

Finance Director Delaney said about 89% of the general fund is funded through local tax. The collection rate is very high at 99.3%. State education grants are flat. The state motor vehicle cap is included. Interest income increased by \$1M. We are replacing one-time items. There was \$185k put in for the pension last year and \$380k was added at the end to pull out of fund balance. Also, there is 300k of ARPA money. The budget includes \$865k of one-time budget revenue items. Fund balance only funds contingencies.

We are looking at \$1.5M to \$2M from interest. There was a tax sale and some unplanned state grants. Vacant police officers is the largest expenditure at this point. The budget proposes to use just over \$4.1M of that projected surplus of \$4.5M to offset the elementary school HVAC projects and help with the police station renovations. There is 11% that is a backstop because there are some DB payouts for the 5 people that remain in the old pension plan. One had retired on February 10th and another is leaving in

early April. We will go down to 79% funded after paying them out. The 3 remaining individuals can retire at any time.

The other potential future demands on fund balance are:

- Biscoglio Field turf
- Steele Blvd. property remediation
- Local share of grants
- School vans
- Griswold portables
- Timberlin buildings

Backstop for:

- Berlin Water Control and 2 water districts (if needed)
- Insurance funds
- Special education costs

5. Long-term Liabilities

Finance Director Delaney said the plan this year is to complete three big projects: police department renovations and HVAC at Griswold and Hubbard. We don't know if we will get the state grant or how much we would receive and monitor it closely. There is \$6.2M of new proposed bonding.

Chairman Bordonaro asked if we have a valid quote for the police station renovation? Finance Director Delaney said in order to bond, you need an appropriation of money to fund debt service. If you do not put it in the budget now you would be forced to delay the bonding until you did the budget again, or pull that from fund balance. The schools are considered separate projects. Mr. Millerd asked what if the police station renovations come in and you need to bond more than this number? Could we bond less money and apply \$1M in surplus? Finance Director Delaney said the bond would be based on the resolution, whatever the ordinance would say. We go for an ordinance that is higher than what we expect the project to cost to avoid that situation, and then deauthorize any remaining balance after the project is closed. This just outlines what is in the budget, it can be changed however you want. Town Manager Jayawickrema said the goal is to see if we can get all three projects done at the same time. There may be different ways to do it when the numbers come out. Finance Director Delaney added there are a lot of needs in the capital plan that are future projected debt issues.

We are 86% funded with the DB pension plan and 79% when the two people retire and leave. The actuarially determined contribution is \$742,609. The new police DB plan will be adopted by 7/1/23. We are working with attorneys now to draft the plan. The DB plan offers greater benefits and there is a gap between what has been saved with the DC plan and what the DB plan would offer. The total net DB pension plan is \$1,217,889.

6. Capital

Finance Director Delaney said the capital list contains a lot of infrastructure. Berlin has considerable assets that require maintenance and periodic replacement.

For the FY24 Capital Budget, departments requested \$5.4M, but we are proposing \$2.7M.

The primary focus is:

- Public Safety
- Education
- Deferred purchases and projects
- Support POCD goals (Plan of Conservation and Development)

7. Transfers

Finance Director Delaney said most of the transfers do not change year to year. There is a state statute that requires an architectural review of Kensington Village and the cost to fund that is \$25k. The local match for future grants is \$250k.

Based on our charter, we want to add the Berlin Water Control budget to referendum. It will be included on the ballot and everybody will get a chance to vote. There are a number of projects that the Berlin Water Control will be working on.

E. ADJOURNMENT

Mr. Paradis moved to adjourn at 9:09 p.m.

Seconded by Mr. Fernandes.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Mr. Holmes, Mr. Millerd, Mr. Paradis

Vote being 6-0

Submitted by,
Alina Brown

TO: The Board of Finance

FROM: Arosha Jayawickrema, Town Manager

DATE: February 13, 2023

SUBJECT: Transfer from Hubbard Playground and McGee Air Quality account in the Capital Non-Recurring Fund to the Buildings & Renovations account in the Police Station Construction Fund.

Summary of Agenda Item:

As part of clearing the current Board of Education (BOE) storage area in the lower level of Town Hall for renovations to the Police Station, the BOE will incur costs to move items off-site and create alternative storage on-site. The projected cost to complete this work is \$40,000 (including a \$5,000 contingency for the BOE material movement phase). Specifically,

- (1) Custodial & IT staff overtime to remove material, files, equipment, and furniture from current location and deliver/reassemble at Willard School. (\$7,000)
- (2) Purchasing various storage cabinets and replacing two existing desks for Central Office to free up space for storage cabinets. (\$18,000)
- (3) Twenty percent contingency. (\$5,000)
- (4) Funding is also required to remove existing storage cages and reassemble in relocated area. The cost to complete both tasks is projected to be \$10,000.

Funding is available in two previously approved capital projects that were completed below budget – Hubbard School Playground and McGee Air Quality Units. This request is to transfer \$30,153.66 from the Hubbard Playground account (500.35.3561.0.54000.00773) and \$9,846.34 from the McGee Air Quality account (500.35.3561.0.54000.00320), both in the Capital Non-Recurring Fund, to the Buildings & Renovations account (538.15.1532.0.54000.00300) in the Police Construction Fund.

Action Needed:

Move to approve the transfer of \$30,153.66 from the Hubbard Playground account and \$9,846.34 from the McGee Air Quality account, both in the Capital Non-Recurring Fund, to the Buildings and Renovations account in the Police Construction Fund.

Attachments:

None

Prepared By:

Kevin Delaney, Finance Director

GENERAL FUND

(budgeted amount excludes assigned fund balance)

Receipts

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Notes</u>
Actual Receipts	\$92,820,596	\$88,011,915	
Budgeted Receipts	\$96,178,498	\$93,474,047	
% to Budget	96.5%	94.2%	
Current Year Tax Receipts	\$82,342,567	\$79,413,601	
Current Tax Budget	\$83,068,727	\$79,861,907	
Current Tax Levy <i>(99.3%/99.3% collection rates)</i>	\$83,654,307	\$80,424,881	
% to Current Budget	99.1%	99.4%	
% to Current Levy	98.4%	98.7%	
Adopted budget target %	99.3%	99.3%	

Expenditures *(excludes capital expenditures)*

Actual Expenditures	\$62,519,971	\$67,473,976	FY22 Included \$7,510,640 non-budgeted pension/fire vehicle appropriation/expenditure from unassigned fund balance
Budgeted Expenditures	\$98,136,931	\$101,091,497	
% to Budget	63.7%	66.7%	FY23 includes \$2,100,000 non-budgeted property acquisition/fire vehicle/capital purchase appropriation/expenditure

Storm-related Overtime (51445)	Actual	Encumbered	Budget	Var to Budget
Electricity (53102)	\$21,023	\$0	\$141,392	\$120,369
Refuse Disposal (53823)	\$564,856	\$732,812	\$1,475,306	\$177,638
Legal (53828)	\$1,092,251	\$797,349	\$1,921,091	\$31,491
Tax Refunds (53924)	\$171,158	\$183,798	\$355,000	\$44
	\$77,257	\$0	\$215,000	\$137,743

INSURANCE FUNDS

Health Insurance Fund

	<u>Target Floor Fd Bal.</u>	<u>Actual Fund Bal.</u>	<u>Notes</u>
	\$2,327,226	\$2,630,163	The Health Insurance Fund balance is 28.3% of full year projected expenses - target floor reserve is 25%.

General Insurance Fund

The fund is used to pay Liability & Worker's Compensation insurance premiums for both the Town and BOE, on-going heart & hypertension claims from police officers, widow/widower heart & hypertension claims, "fronting" reimbursable environmental remediation costs, small equipment claims where Town elects to self-insure and deductibles. Town policy is a \$1 million floor and ceiling at 5% of General Fund budget (or \$4,831,489 for FY23). Displayed fund balance is net of H&H reserve and encumbrances for self-insured claims.

TOTAL INSURANCE FUNDS

	<u>\$3,327,226</u>	<u>\$4,138,229</u>
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PENSION FUND

Notes

Town of Berlin
Financial Status Report
Board of Finance Meeting of March 14, 2023

F-2

Total Liability (as of 7/1/2022)

\$7,468,657

The Town of Berlin Retirement Income (Defined Benefit) Plan was amended for the last time effective July 1, 2000. As a result of this final amendment no new Town employees (excludes BOE employees covered by the Teacher's Retirement Fund) were eligible to participate in the plan. As part of the amendment, participants in the DB Plan have the option to be paid out with an annuity or a lump sum. In recent years, all retiring participants have elected the lump sum payout.

Cash Balances:

Prudential

\$3,353,680

ICMA Plus

\$3,090,739

\$6,444,419

Currently, the Town is executing a pay-as -you-go program to manage new retirements. The plan includes 5 active participants, 1 inactive but eligible participant and 15 annuitants.

Funding % - Total

86.3%

Funding % - DB

44.9%

Unfunded Liability

(\$1,024,238)

Anticipated retirements:

FY23: 5 active participants remain and all are eligible to retire. One retired 2/10/2023 & one is retiring in April.
Annual annuity payments & total monthly fees: \$185,000

ACTIVE CAPITAL PROJECTS

	<u>% Complete*</u>	<u>Project Balance**</u>	<u>PBC Managed</u>	<u>Department</u>	<u>Notes</u>
4-Bridge Rehabilitation	90%	\$0		Public Works	Design Phase audit is complete and final payment for this phase was received - Construction Phase is closing out.
Highway Wash Bay	TBD	TBD	PBC	Facilities	Current Phase: TC approval to award
55 Steele Boulevard	27%	\$0		Economic Dev.	Building 3 of 3 from Newport's original Farmington Ave plans
Sidewalk Upgrades	0%	\$0		Public Works	Begin construction in spring
3-Road Project (CRCOG Pre-Funded Construction)	3%	\$0		Public Works	Porter's Pass, Christian Lane & Deming Rd rebuilds
Kensington Road Bridge - Design Phase	39%	\$0		Public Works	Current Phase: design (local funded); once project is approved by DOT, CRCOG grant will pre-funded for bid amount + contingency & incidentals
Percival Soccer Field	8%	\$0		Public Grounds	TC awarded bid - begin construction in spring
Scalise Scoreboard/Fiber (DEEP Grant)	5%	\$0		Facilities	Current Phase: purchase/install scoreboard & fiber to run scoreboard
Biscoglio Field Turf (DEEP Grant)	0%	\$0		Public Grounds	Biscoglio Field conversion to turf expected to begin June 2023
HVAC Upgrades (ARPA Funds)	0%		PBC	Facilities	Current Phase: bidding Willard; hired construction manager for Willard
HVAC Upgrades (Local Funds)	TBD	TBD	PBC	Facilities	TBD
Police Station Renovation	TBD	TBD	PBC	Facilities	Current Phase: design renovations

* % complete represents invoices received versus total expected project cost - this metric will lag actual construction completion

** Capital projects fund balance includes encumbrances.

Risks

Opportunities

Risks		Projected - Low	Projected - High	Probability	Opportunities		Projected - Low	Projected - High	Probability
Description					Description				
<u>RECEIPTS</u> VNA receipts					<u>RECEIPTS</u> Interest Income		\$1,200,000	\$1,700,000	High
					Taxes		\$0	\$800,000	Med
<u>EXPENDITURES</u> Auto Parts					<u>EXPENDITURES</u> Vacant positions		\$750,000	\$2,000,000	Med/High
Fuel		\$0	(\$50,000)	Med					
Electricity		\$0	(\$25,000)	Med					
		\$125,000	(\$50,000)	Med					
TOTAL		\$150,000	(\$425,000)		TOTAL		\$1,950,000	\$4,500,000	
Total excluding Pension payouts		\$150,000	(\$425,000)		Budgeted use of fund balance (excludes \$300k of contingency)			(\$2,665,000)	
					Net Projection		(\$565,000)	\$1,410,000	
					Net Projection (ex Pension Payouts)		(\$565,000)	\$1,410,000	

Town of Berlin
Financial Status Report

Board of Finance Meeting of March 14, 2023

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	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>TOTAL</u>	<u>YTD</u>
FY2019	55,212	74,521	82,025	142,845	81,705	58,331	97,213	71,442	119,187	72,239	90,498	100,562	1,045,780	663,294
FY2020	47,155	82,851	58,019	85,737	58,047	51,550	62,354	63,243	62,270	99,186	51,272	76,057	797,741	508,956
FY2021	48,132	56,105	61,099	53,775	54,553	64,397	66,910	57,967	78,281	82,029	27,123	107,013	757,385	462,939
FY2022	51,814	67,134	56,464	49,192	39,038	32,530	43,379	48,339	70,744	45,424	48,569	61,528	614,156	387,890
FY2023	43,842	57,446	67,243	57,167	52,526	61,072	44,860	26,033					410,189	410,189
CY vs. PY	(7,972)	(9,688)	10,779	7,975	13,488	28,542	1,481	(22,306)						

